Business Transformation Agency Overview

E2E Procurement conference
John Drozda
November 2007

BTA
BUSINESS TRANSFORMATION AGENCY

“We remain committed to the vision of a defense business enterprise that is both agile and accountable, and we are building a customer-centric culture that is keenly aware of its obligations to the American people and to the brave Soldiers, Sailors, Airmen, and Marines who protect us.”

Gordon R. England
U.S. Deputy Secretary of Defense

DoD Business Transformation Strategic Objectives

Support the Joint Warfighting Capability of the DoD

Enable Rapid Access to Inform-ation for Strategic Decisions

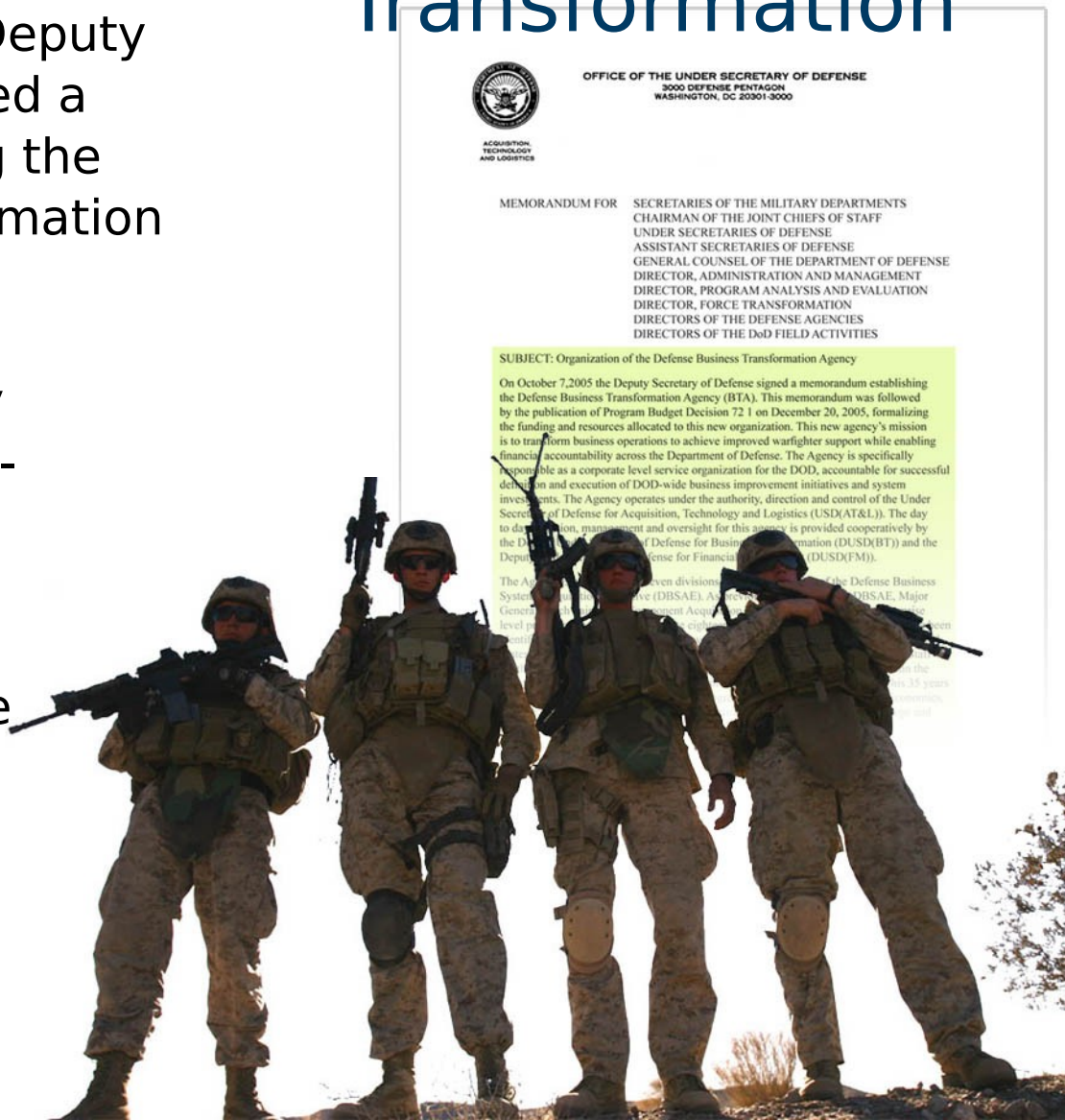
Reduce the Cost of Defense Business Operations

Improve Financial Stewardship to the American People

BTA Established to Advance Defense Business Transformation

"On October 7, 2005 the Deputy Secretary of Defense signed a memorandum establishing the Defense Business Transformation Agency (BTA)."

"The Agency is specifically responsible as a corporate-level service organization for the DoD, accountable for successful definition and execution of DoD-wide business improvement initiatives and system investments."


OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

ACQUISITION, TECHNOLOGY AND LOGISTICS

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, PROGRAM ANALYSIS AND EVALUATION
DIRECTOR, FORCE TRANSFORMATION
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DoD FIELD ACTIVITIES

SUBJECT: Organization of the Defense Business Transformation Agency

On October 7,2005 the Deputy Secretary of Defense signed a memorandum establishing the Defense Business Transformation Agency (BTA). This memorandum was followed by the publication of Program Budget Decision 72 1 on December 20, 2005, formalizing the funding and resources allocated to this new organization. This new agency's mission is to transform business operations to achieve improved warfighter support while enabling financial accountability across the Department of Defense. The Agency is specifically responsible as a corporate level service organization for the DOD, accountable for successful definition and execution of DOD-wide business improvement initiatives and system investments. The Agency operates under the authority, direction and control of the Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)). The day to day operation, management and oversight for this agency is provided cooperatively by the Deputy Under Secretary of Defense for Business Transformation (DUSD(BT)) and the Deputy Chief Financial Officer (DUSD(FM)).

Vision and Mission

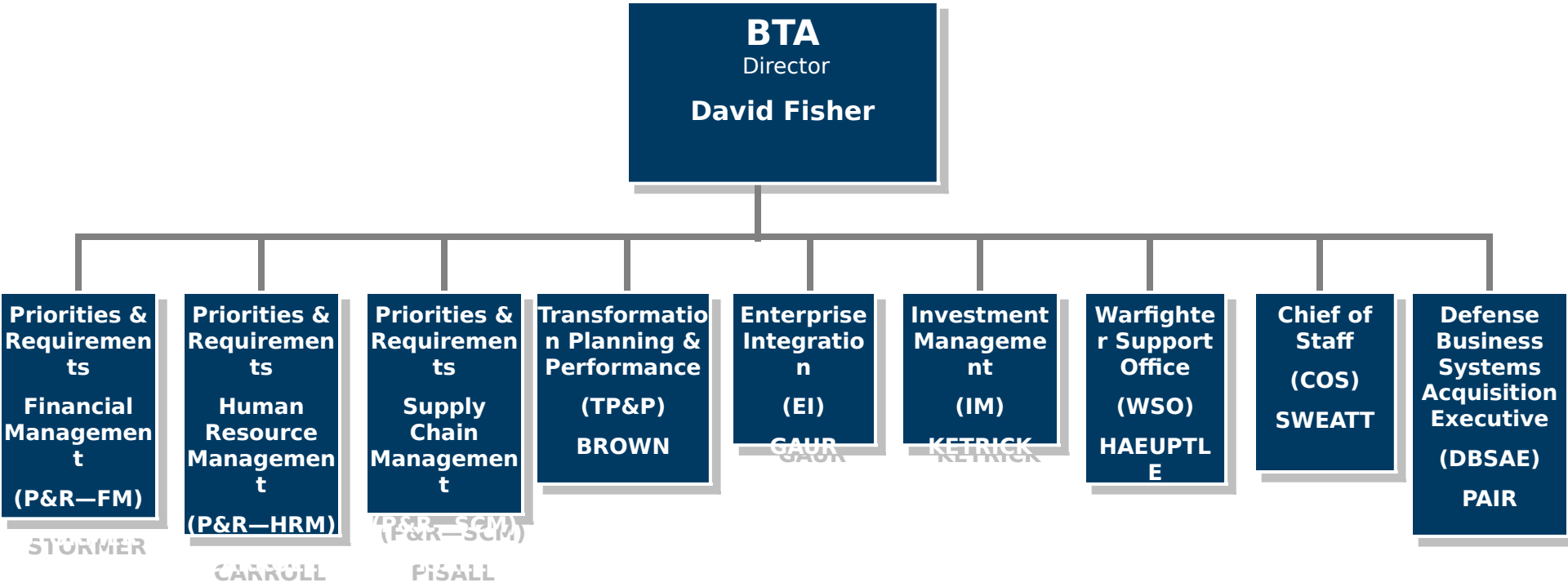
Vision

The BTA will be recognized as the champion for driving and accelerating improvements to business operations across the Department of Defense. We will serve as a magnet to attract talented, dedicated professionals, creating a model for transformation leadership across the federal government.

Mission

The mission of the Business Transformation Agency (BTA) is to guide transformation of business operations throughout the Department of Defense and to deliver Enterprise-level capabilities that align to warfighter needs.

BTA Organization Structure



What does the BTA do?

- Ensures consistency, consolidation and coordination of DoD Enterprise-level business systems;
- Reduces redundancies in business systems and overhead costs;
- Encourages further collaboration across the Department;
- Achieves centralized visibility to investments in DoD-wide business modernization efforts; and
- Shifts resources within business process and system modernization into a unified, focused organization.

BTA Responsibilities

- **Establishing Priorities –** Support the Defense Business System Management Committee (DBSMC) and Principal Staff Assistants (PSAs) in their efforts to define Department-wide business transformation goals and objectives.
- **Investment Control and Oversight –** Support the Investment Review Board / certification process which optimizes investments and ensures statutory compliance.
- **Transformation Tools –** Assemble and integrate the Business Enterprise Architecture (BEA) and Enterprise Transition Plan (ETP).
- **Program Execution –** Provide program management discipline delivering the “thin” layer of “corporate” services to the Department.
- **Tactical Business Support –** Ensure that business priorities are aligned with warfighter needs.

How will the BTA drive transformation?

- **DoD Business Enterprise Clarity -** The corporate-level requirements for business execution at DoD.
- **Horizontal Business Transformation Focus -** Optimizing end-to-end processes, not policy office stovepipes.
- **Business Alignment to Warfighter Needs -** Aligning to the mission of the Department, and using this alignment to drive urgency.
- **Capabilities, not Systems, as Deliverables -** Systems follow business requirements – setting expectations.
- **Accountability -** Establishment of the BTA to unify our efforts (resources, funding, leadership) for DoD-level business transformation.

Transformation Tools

- **Enterprise Transition Plan (ETP) -** Provides basis for the planning, development and implementation of business systems.
- **Business Enterprise Architecture (BEA) -** Sets priorities, milestones, and schedules.
- **System Certification (IRBs/Governance) -** Provides executive oversight of business system investments.
- **Federation Strategy -** Explains how a Federated Architecture will support transformation tools and provide additional capabilities to better support Enterprise-level business systems.
- **Business Transformation Guidance (BTG) -** Provides guidance for DoD business transformation planners and managers at the Enterprise, Component, and program levels.
- **Financial Improvement and Audit Readiness (FIAR) Plan -** Creates and communicates a DoD-wide strategy and approach for improving financial and business operations within the Components.

Recent Accomplishments

- Delivered BEA 4.1 and ETP/March Congressional Report.
- Delivered SFIS Phase III.
- Issued BTA Human Capital Strategy.
- Completed OMB enterprise architecture assessment.
- Released DTS Reservation Refresh.
- Completed DISA IT audit.
- AT&L signed BCL memo.

Websites

www.dod.mil/bta

Information on the BTA and current news.

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ET RATIO
SUPPORT TO THE WARFIGHTER,
ACCOUNTABILITY TO THE TAXPAYER.
LATEST NEWS
Fisher Searches for the Optimal Organization
Different worlds is how David Fisher compares his past life as a Silicon Valley management consultant with his new role as director of the Business Transformation Agency, the Defense Department's lead agency for organizational change.
Full article
NEWS AND EVENTS
David Fisher Named Director of BTA
Paul A. Brinkley, Deputy Under Secretary for Business Transformation, announced on February 22, 2007, the appointment of David Fisher as the first official Director of the Defense Business Transformation Agency (BTA).
Transformation Spotlight
Iraqi Business Restoration Progressing
Paul A. Brinkley, Deputy Under Secretary for Business Transformation, discussed the ongoing work to improve Iraq's business and economic stability during at a press conference at the Combined Press Information Center in Baghadad. (MNF-Iraq.com, Feb. 27, 2007)
Full article
Business Transformation

www.dod.mil/dbt

Information and updates on all Defense Business Transformation efforts.

DEFENSE BUSINESS TRANSFORMATION
February 17, 2006
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Business Enterprise Architecture (BEA)
Enterprise Transition Plan (ETP)
Download ETP Vol. I
Financial Improvement & Audit Readiness (FIAR)
Systems Certification
Mission: Transform business operations to achieve improved warfighter support while enabling financial accountability across the Department of Defense.
Business Transformation Agency Established
The approval of the Defense Business Transformation Agency (BTA), by Deputy Secretary of Defense, Gordon England, on October 7, 2005, established an agency which focuses on advancing enterprise-wide business transformation. The BTA announced its organizational structure on February 3, 2006. The mission of this Agency is to transform business
Transition Plan Milestone Accomplishments
Acquisition Spend Analysis Service (ASAS)
The Acquisition Spend Analysis Service (ASAS) provides the Enterprise level solution to acquisition analysis, pulling data from multiple services into a single view for complete analysis, reducing the complexity of data integration across the Department. Click here...
Central Contractor Registration (CCR) ensures data integrity
The Central Contractor Registration (CCR) is a combined federal effort under the General Services Administration's (GSA's) integrated Acquisition Environment
E-Gov initiative between

WAWF & Standard Transactions – Phase 1

John Drozda
November 2007

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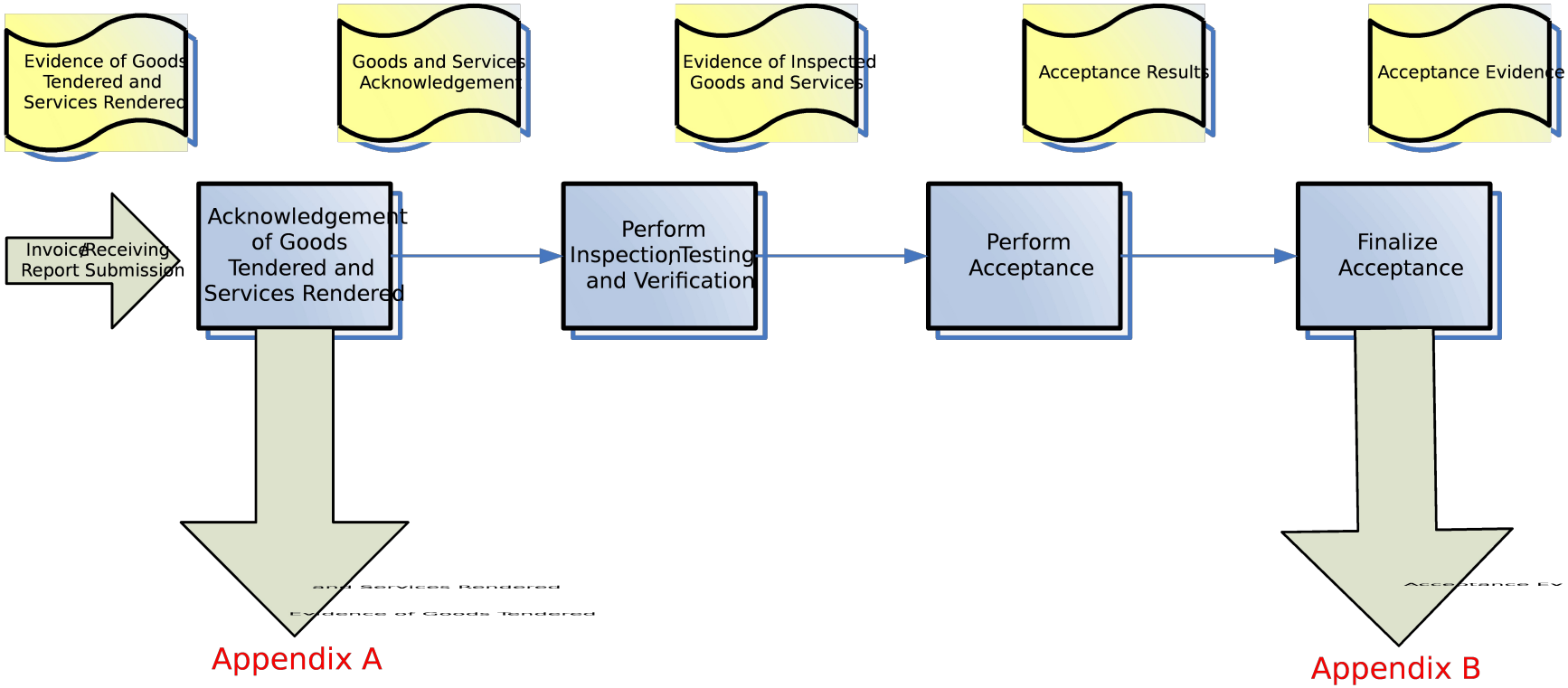
Purpose

- Describe rationale and implementation of standard transaction processing
- Review WAWF compliance requirements

Agenda

- BEA Operational View – Receipt and Acceptance
- Benefits of WAWF Standard Transactions
- WAWF System View
- Overview of Standard Transactions in Phase 1
  - Evidence of Goods Tendered / Services Rendered
  - Acceptance Evidence
  - External Acceptance Evidence
- Receipt and Acceptance IRB Condition
  - How Do Systems Comply?
- Receipt and Acceptance Policy

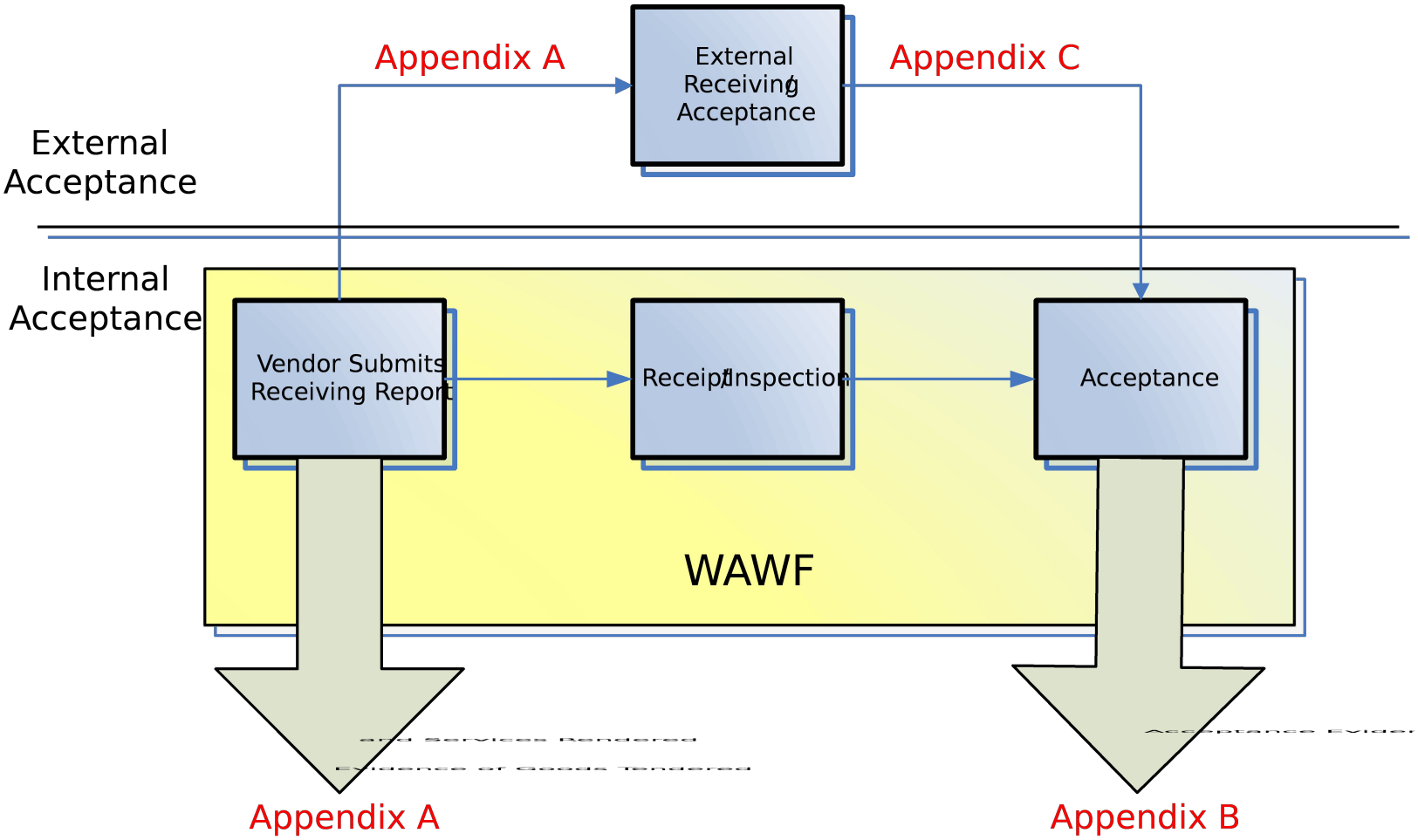
Business Enterprise Architecture Operations View – Receipt and Acceptance



Benefits of WAWF Standard Transactions

- Enable systems requiring a WAWF interface to come on-line outside of a WAWF release through Global Exchange (GEX)
- Functionality is built once, and any new system requiring WAWF data can utilize existing data sets to “plug and play”
  - Use of one single dataset for each business process step will streamline WAWF and eliminate the need to maintain numerous interface requirements
  - Reduces cost and wait time for new ERP systems to obtain data and perform external acceptance
- Provides DoD the ability for enterprise level decision making through aggregation of acceptance data
- Enables component specific acceptance processing within the ERPs with standard data and processes for the enterprise layer
- Interim environment has the ability to post accounts payable (A/P) in accordance with GAAP until target ERPs come online

WAWF System View



Note: Referenced appendices are in the Standard Transactions Instruction Manual

Evidence of Goods Tendered / Services Rendered

- The data defined in Appendix A, Evidence of Goods Tendered / Services Rendered, will be available if resident within WAWF upon vendor document submission
  - The data defined in Appendix A will correspond to the a BEA data object of the same name in BEA release 5.0
  - SFIS Element O3, Agency Accounting Identifier, and its aliases will be pre-populated from EDA for legacy SPS LLA data feeds
    - The element will be pulled from the LLA according to a single component-specific mapping logic
  - RFID data will be made available for business intelligence capability within the DAAS system
    - A copy of the transaction will be routed to DAAS without changing the flow to and from the receiving system

Acceptance Evidence

- The data defined in Appendix B, Acceptance Evidence, will be available if resident within WAWF upon acceptance of a receiving reports and combos, or approval of an Invoice 2n1
  - The data defined in Appendix B will correspond to a BEA data object of the same name in BEA release 5.0
  - IUID data will be made available for business intelligence capability for all Evidence of Goods Tendered / Services Rendered Data Sets

External Acceptance Evidence

All mandatory data for external acceptance as defined in Appendix C, External Acceptance Evidence Data Set, will be required from external acceptance systems

- The data defined in Appendix C will correspond to a BEA data object of the same name in BEA release 5.0
- WAWF will provide the capability for acceptance by box or acceptance by shipment to facilitate maximum interoperability with existing DoD processes and systems
  - Acceptance by box: Rejected/Suspended Quantity is defined as quantity received minus quantity accepted
  - Acceptance by shipment: Rejected/Suspended Quantity is defined as quantity shipped minus quantity accepted
- The external acceptance process will NOT facilitate the ability for the external acceptance system to update the accounting data fields
- IUID data will be made available for business intelligence capability

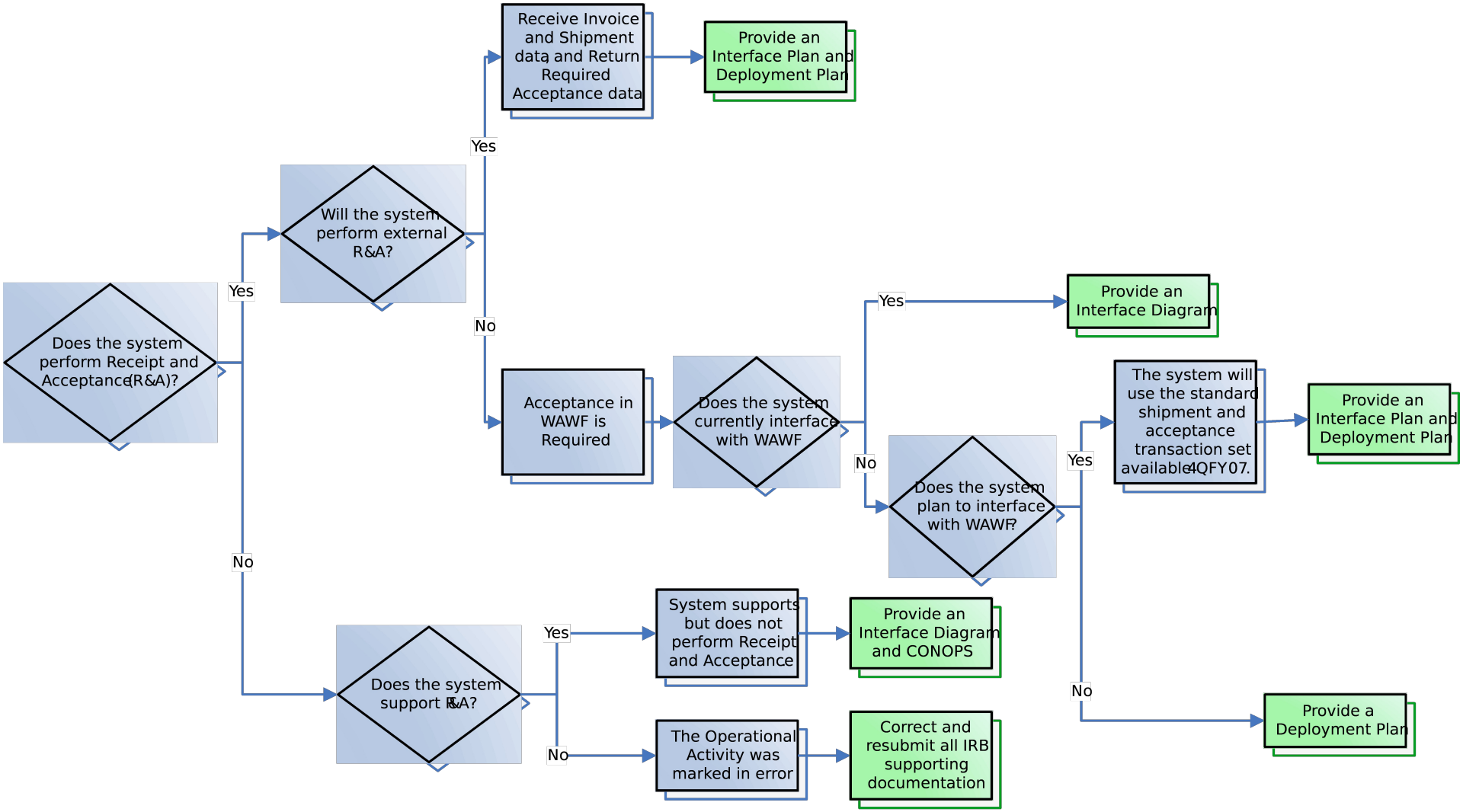
Receipt and Acceptance Policy

- The Operational Activity A3324 “Manage Receipt and Acceptance” links to the following policy:
  - Defense Federal Acquisition Regulation Supplement (DFARS) Clause 252.232-7003
    - Requires vendors to submit invoices electronically via WAWF, WInS or EDI
    - DCMA, with OSD support, has written and released for comment a change that would preclude WINS and EDI as options
  - IUID and RFID Requirements
    - Requires vendors to submit shipment notices with IUID and RFID data electronically via WAWF unless it is not available

The Receipt and Acceptance IRB Condition

- Operational Activity A3324 “Manage Receipt and Acceptance”
- Submit to the WSLM/MSSM IRB, via its PCA, NLT 120 days from the date of the signed DBSMC memo:
  - An assessment as to whether the system performs acceptance activities for unclassified Federal Acquisition Regulation (FAR)-based contracts/orders
    1. If the system does perform acceptance activities, the system must submit to the IRB its plan and implementation dates for <u>either</u>:
       a) Migrating acceptance functions to WAWF with the option of receiving acceptance data and or accounting data
       b) Interfacing with WAWF to receive shipment data and return acceptance information
    2. If the system does not perform acceptance activities, the system must assert in the assessment that the system <u>either</u>:
       a) Supports receipt and acceptance activities, but does not perform receipt and acceptance activities
       b) Does not perform or support receipt and acceptance activities and was marked in error
    3. Deployment Plans, Interface Plans, and Support Function Plans will be submitted if applicable, based on scope of acceptance activities documented in 1 and 2

How Do Systems Comply?


Does the system perform Receipt and Acceptance (R&A)?
Yes
No
Will the system perform external R&A?
Yes
No
Receive Invoice and Shipment data and Return Required Acceptance data
Provide an Interface Plan and Deployment Plan
Acceptance in WAWF is Required
Does the system currently interface with WAWF
Yes
No
Provide an Interface Diagram
Does the system plan to interface with WAWF?
Yes
No
The system will use the standard shipment and acceptance transaction set available 4QFY07.
Provide an Interface Plan and Deployment Plan
Provide a Deployment Plan
Does the system support R&A?
Yes
No
System supports but does not perform Receipt and Acceptance
Provide an Interface Diagram and CONOPS
The Operational Activity was marked in error
Correct and resubmit all IRB supporting documentation

What is required for Compliance?

- To submit an interface plan, a system must:
  - Review data content for standard transaction sets and determine which data elements are needed and at what point in the process (Ex: Shipment, Destination Acceptance, etc.).
  - Review data which is required to submit to WAWF upon external acceptance.
  - Then, the system must meet with Global Exchange (GEX) to determine the appropriate routing for the transactions, and provide funding for mapping.
- To submit a deployment plan, a system must provide:
  - An Estimated Number of users over time
  - A timeline or schedule of Critical Dependencies
- To provide justification for Operational Activity support, provide:
  - An Interface Diagram
  - A copy of the System Concept of Operations (CONOPS)
- Post completed plans to the Investment Review Board Portal
  - https://portal.acq.osd.mil/portal/server.pt

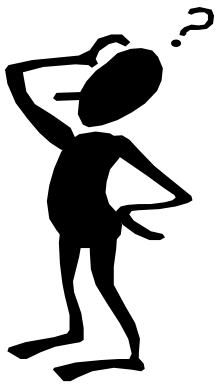
DFARS Regulation: Highlights

- Contractors submit payment requests using one of the following electronic forms:
  - Wide Area WorkFlow-Receipt and Acceptance (WAWF-RA).
  - Web Invoicing System (WInS).
  - American National Standards Institute (ANSI) X.12 electronic data interchange (EDI) formats.

- The full text of the clause can be found in backup and at: http://farsite.hill.af.mil/archive/dfars/dcn20060814/dfars252_232.htm#P62_2307

- DCMA, with OSD support, is in the process of writing a change that would preclude WINS and EDI as options – currently out for public comment

Questions

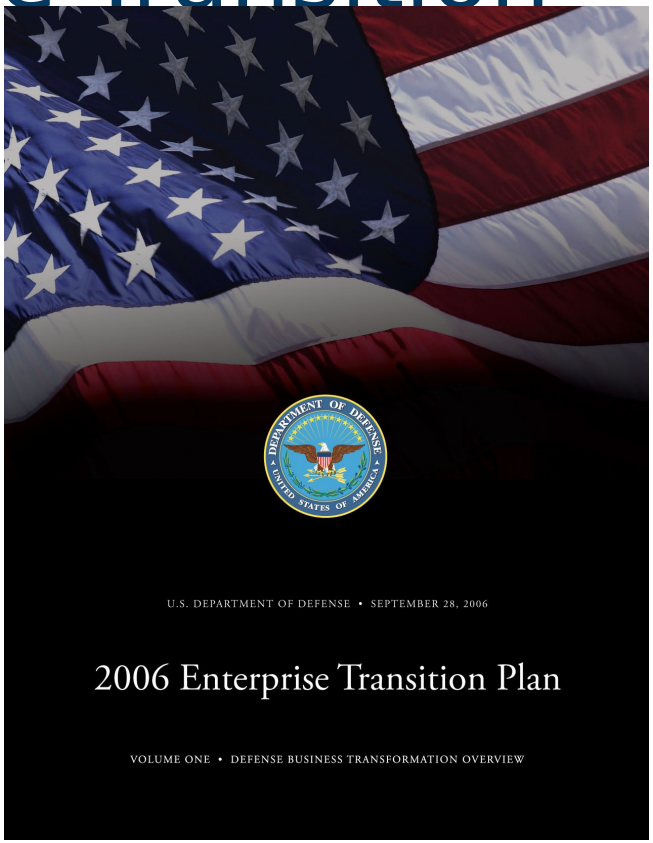


Back-up Slides for BTA Overview

Purpose of the Enterprise Transition

The ETP creates a roadmap for DoD's business transformation by:

1) **Describing what DoD is trying to achieve and how we will know when we get there;**
2) **Capturing milestones and metrics to guide Business Capability improvements;**
3) **Identifying tangible benefits for each investment; and**
4) **Documenting a baseline against which to measure progress.**


U.S. DEPARTMENT OF DEFENSE • SEPTEMBER 28, 2006
2006 Enterprise Transition Plan
VOLUME ONE • DEFENSE BUSINESS TRANSFORMATION OVERVIEW

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Business Enterprise Architecture (BEA)

- **Purpose of the BEA**
  - **Provides a blueprint to guide and constrain investments**
  - **Guides business management systems modernization efforts**
  - **Provides foundational data standards and rules**
  - **Establishes standards for interoperable IT systems**
  - **Enables accurate, reliable, timely, and compliant information for decision-makers.**
- **Looking Forward - BEA 5.0 (to be delivered March 2008) will focus on:**
  - **Federation**
  - **Implementable Architecture**
  - **Information Assurance**
  - **Interoperability**
  - **Investment Management**
  - **Service-Oriented Architecture**

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Back Up Slides

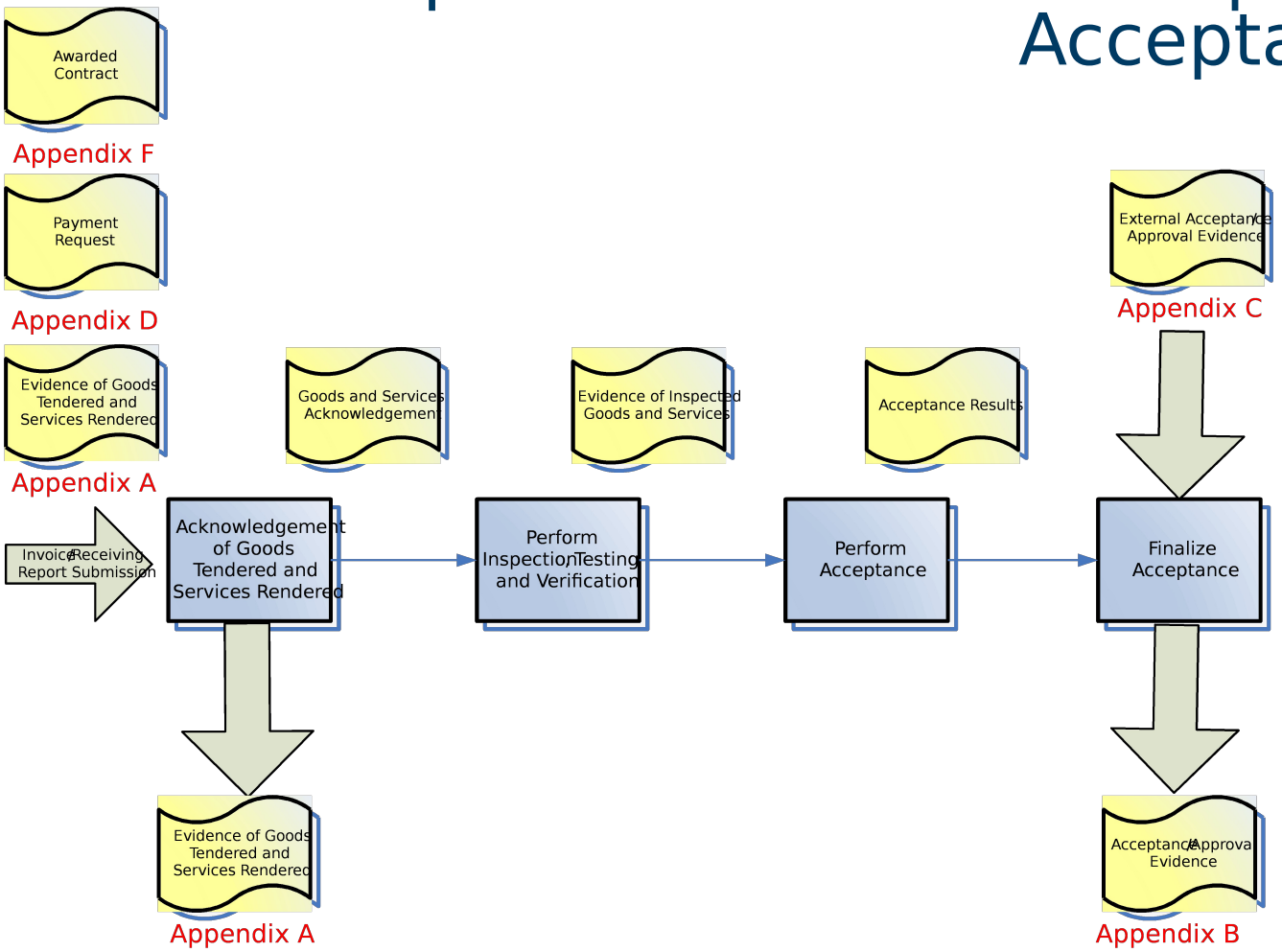
Standard Transaction Processing

- ***EDA provides capability for standard contract data aggregation and pre-population of WAWF data elements***
  - Phase 1: SPS 4.2.2 & BSM; CLIN data and selected legacy accounting data elements – *In Production*
  - Phase 2: Other contract writing systems that can provide conformed enterprise level contract data to include all phase 1 elements and Agency Accounting Identifier or alias – *In Production*
  - Phase 3: Enterprise Contract Capabilities; DPAP defining standard data, business rules and enterprise integration requirements – *TBD*
- ***WAWF will provide the capability for selecting the routing of the standard transactions outside of a WAWF release***
  - Routing
    - DoDAACs: Ship To, Pay, Admin, Issue By, Inspect By, Accept at Other
    - Agency Accounting Identifier or alias (e.g. AAA, FSN, ADSN)
  - Phase 1: Standard Shipment and Acceptance – *Production: 20 Oct 07*
  - Phase 2: Standard Invoice and Approval – *Target Production Date: Jun 08*
  - Phase 3: Property Transfers and Receipt/TRANSCOM Visibility – *TBD*
  - Phase 4: Full Enterprise Contract Capabilities Integration – *TBD*

Standard Payment Request Data Set

- The data to be defined in Appendix D, *Standard Payment Request Data Set*, upon the vendor submission and approval of invoice data will be made available
  - New standard Pay System Indicator will allow for new Pay DoDAACs that are validated against DAASC
  - Standard Pay Systems will have no PSS edits applied, and will only receive standard transactions (all doc types)
  - WAWF will provide a capability for receiving systems to identify transactions that have been resubmitted or voided by the vendor (all doc types)

Business Enterprise Architecture Operations View – Receipt and Acceptance



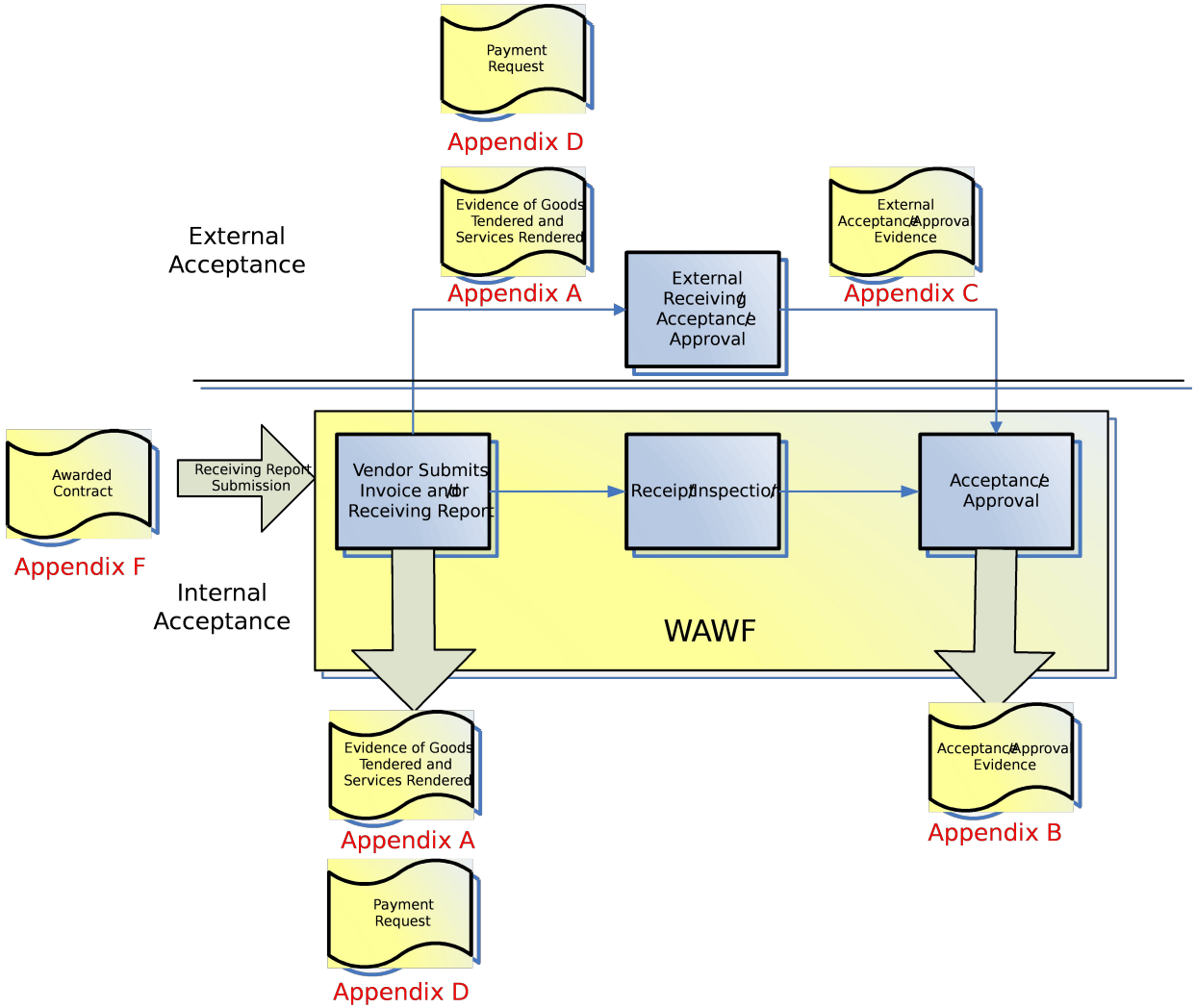
Appendix A: Standard Shipment Data

Appendix B: Standard Acceptance / Approval Data

Appendix C: Standard External Acceptance Data

Appendix D: Standard Invoice Data

WAWF System View



Appendix A: Standard Shipment Data

Appendix B: Standard Acceptance / Approval Data

Appendix C: Standard External Acceptance Data

Appendix D: Standard Invoice Data

Implementation Tasks

- The following steps need to be taken, in sequence, to enable an interface partner to obtain standard transactions. The slides following give more detail for each step.

1. Complete part 1 of the Defense Sourcing Portfolio (DSP) Engineering Change Proposal (ECP) Form
2. Determine if source of contract data is posting data into Electronic Document Access (EDA)
3. Determine options for acceptance
4. Determine the process step at which data is required
5. Determine if transaction(s) is for workflow or informational process
6. Determine data routing needs
7. Determine data content
8. Determine data format
9. Complete part 2 of the DSP ECP Form
10. Complete Interface Control Agreement between the component CIO and BTA
11. Coordinate testing and release schedule
12. Implement in Production

RFID and IUID Regulations

WAWF is required to capture IUID and RFID data from the vendor.

- RFID data capture through the Advance Shipment Notice (ASN): The RFID mandate requires that all vendors who are contractually obligated to affix passive RFID tags to material must also send an ASN via WAWF.
  - http://www.acq.osd.mil/log/rfid/advance_shipment_ntc.htm

- IUID data capture through WAWF: Utilization of the WAWF Receiving Report (RR) and the WAWF Combo to capture the IUID data is annotated in the enhanced Vendor guides. Direct submission is defined as the process of submitting IUID data outside of the WAWF process. It should be used to provide IUID data to the IUID registry only when WAWF is not available.
  - http://www.acq.osd.mil/dpap/UID/DataSubmission.htm#HowWAWF

- The IUID policy website is:
  - http://www.acq.osd.mil/dpap/UID/policy.htm